

Grantson Farm uses Dairy Advancement Program funding to plan and expand for the future

By Julie Berry

David and Laurie Grant have infectious optimism and belief in the viability of the dairy industry.

With financial and facility planning resources through a Dairy Advancement Program (DAP) grant, the Franklin, NY family has successfully transitioned from a tiestall barn, constructed a freestall barn, and are now expanding through a merger with a neighboring farm.

“We knew we had to get more efficient, or stay the same and retire,” said David. “We built so we can survive and reach retirement.” The Grants are also thinking about the next generation, which includes son Alex, 21, who works on the farm, and son Andrew, 19, who may be interested in farming, but “they need to make that choice.”

“DAP grants are a great opportunity to break out of the ‘typical’ and to look at new and different business opportunities. DAP helps facilitate getting people to the table to make business evaluations and to simply have conversations about their business. Often, conversations can be the most valuable part of moving a business forward. It is also helpful for farmers to have the financial assistance to be able to bring qualified advisors to the table,” said Paul Cerosaletti, Cornell Cooperative Extension of Delaware County, NYC Watershed Ag Program, who introduced the farm family to the grant program. “To their credit, the Grants were interested in other people’s ideas and advice, and they wanted to assemble a group of advisors to glean that advice.”

With DAP funding the Grants hired John Lehr, a farm business consultant with Farm Credit East, for financial planning and Jeff Ainslie, Red Barn Consulting, for facility planning, including



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manure storage and facility layout. The Grants started their project with barn layout, but in hindsight they recommend beginning with financial planning.

“The financial part is invaluable. The clarity financial planning can give you

with whatever direction you’re headed – refine, expand, merge – the possibilities are endless,” David said. “John helped us increase labor efficiency and helped us

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puzzle the debt out and make it cash flow. He put it on paper that it would work even at \$17 milk. So far he has been right.”

“The DAP program allows farm families like the Grants access to outside advisors who work with thousands of cows and see a lot of what might work, and more importantly, what likely won’t work. This practical experience plus financial expertise in putting realistic budgets together creates a win-win situation,” Lehr said.

The Grants had previously built heifer and calf barns and manure storage. The calves started doing better, and the animals were outgrowing the 110-cow tiestall.

“Planning is well worth it. Thank you DAP for making that happen,” Laurie said. “John has given us peace of mind to be able to sleep at night and keep debt down. The outside perspective is huge. Our cows were big and cramped in the tiestall and we didn’t see it.”

After completing financial planning through DAP, the Grants constructed a 130-cow freestall, which included a swing parlor built with old equipment,

and a second-story office that provides a vantage of the entire barn.

“We built the parlor ourselves. It was a lot of ingenuity,” David said. A matching grant of \$100,000 was received from the Southern Tier Agricultural Industry Enhancement Program.

“The process of doing the business plan helped us figure out how to accomplish our objectives and gave us confidence to move forward because we knew how to move forward and what our risks were,” David said. “The biggest undertaking by far was building a freestall. We knew we wanted it, but we didn’t know if we could afford it. The expense was overwhelming. Financial planning showed the benefits. John’s knowledge inspired confidence, and he helped with the lending process.”

“The DAP project really helped the Grants to systematically evaluate and quantify the proposed changes to the business. It gave them confidence to be able to quantify their risk and gave their lender confidence in the project,” Cerosaletti said.

The Grants enjoy being part of the

farm community, with peers who are “genuinely helpful.” They participate in Extension and peer group meetings. Prior to breaking ground, they toured freestall barns with robotic milking machines, as they see that part of their future. Their cows moved in to their new insulated facility in March 2019, where they are separated into four groups, and with training, adapted well.

“The transition has gone very smooth and probably better than expected. Production increased, cow comfort increased. Culling of cows dropped drastically. And we’re not culling involuntarily. Cows are so much healthier and have continuous access to feed and water. Their mannerisms are more natural. They’re friendly and curious. It’s a different mindset to know how to manage heat and health detection, and to have less individual contact than with the tiestall,” Laurie said.

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Production increased, cow comfort increased, culling decreased, and labor efficiency increased with the transition to a new freestall barn.



Laurie Grant has a bird’s-eye view from a second story office in the new barn.

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The Grants now use sand bedding. Production increased from 71 pounds to 85 pounds a day with twice a day milking, and they are considering milking three times-a-day. Given the farm economy and consolidation in the industry, they appreciate the security of eventually being able to fill a trailer full of milk to keep their milk market. The barn is laid out for robots, which they see as part of the future to manage labor and overtime costs. "Eventually it will become more affordable."

"A tiestall was the only thing I knew," David said. "I knew it was labor-intensive. Now we have less physical labor. Shoveling and milking time has decreased, and the people are happier."

Financial analysis continued, and the farm is now preparing for an expansion to 250 cows through a merging into a

new LLC – Valley Hill Dairy, LLC – with neighbor Shane Stalter and his fiancée Heather Beach.

"The Grants are looking to build on their first DAP project by further expansion of the herd and strategic business partnerships to pool labor and management capital," Cerosaletti said.

The Grants and Stalter used financial calculators for internal herd growth, debt per cow, equity and EBITDA calculators (earnings before interest, depreciation, taxes, and amortization) prior to breaking ground.

"These tools helped them see the future of what they were planning," Lehr said. "The other key to the success of this DAP planning project was the open-mindedness of both the Grants and Stalter, and understanding that one size does not fit all."

Ground broke on construction



of a new barn in October 2019, with plans to be in use by 2020. The merger provides a valuable increase in land base, an opportunity to downsize equipment, an increase in specialization of responsibilities, and maybe even a vacation. David plans to manage the shop and crops, Shane will manage cow health and the feeding program, and Laurie will manage payroll, calf care, and the milking staff.

"Small farms need to start to think about this, if you can bring acreage together and efficiency in taking care of the cows," Laurie said. "We're tickled about it all." ■

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EXPANDED FUNDING FOR THE DAIRY ADVANCEMENT PROGRAM

Increased funding provides the opportunity for more small- to mid-size farms to plan for the future of their dairies and offers new program initiatives to foster business success

The Dairy Advancement Program (DAP) (previously known as the Dairy Acceleration Program) received increased funding in this year's New York State budget. The increase in funding allows expansion of the program and provides more farms the opportunity to apply.

DAP is designed to help New York's dairy farmers address business needs necessary to meet the challenges of today's marketplace and to better position themselves for long-term success. In addition to continuing to provide business planning, business analysis and advisory teams, new initiatives of the program focus on improving record keeping for decision making and operational budgeting to improve annual operations. The program also continues to provide funds for environmental planning through the development and implementation of comprehensive nutrient management

plans (CNMPs), facilitating the continued excellence in environmental stewardship on New York's dairy farms.

DAP is funded through the New York State Department of Agriculture and Markets and the New York State Department of Environmental Conservation. The program is coordinated through Cornell PRO-DAIRY and delivered to farms in partnership with Cornell Cooperative Extension and agriservice professionals.

New York State Department of Agriculture and Markets Commissioner Richard A. Ball said, "The expansion of DAP is great news for our dairy farms. Not only will more farms be able to take advantage of PRO-DAIRY's services, but they will also have the opportunity to benefit from new program initiatives designed to assist our farmers to more efficiently operate their

business and better compete, which is critical in today's challenging marketplace. DAP can help provide farmers with the resources they need to achieve economic stability while maintaining a commitment to environmental stewardship."

Eligible projects assist New York dairy farmers to position their farm for long-term economic and environmental sustainability. Farms must be located in the state of New York and be shipping milk. Heifer boarding operations under the medium CAFO size may apply for funds to develop or update the farm CNMP, and under the large CAFO size, they may apply for funds to design a best management practice identified in the farm CNMP. The DAP Application, guidelines, frequently-asked questions, and other supporting materials are posted on the DAP website at prodairy.cals.cornell.edu/dairy-advancement.